

CLIMEON ANNOUNCES FINAL OUTCOME OF THE COMPANY'S FULLY GUARANTEED RIGHTS ISSUE

PRESS
RELEASE

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INSIDER INFORMATION: The Board of Directors of Climeon AB (publ) ("Climeon" or the "Company") has conducted the Company's fully guaranteed rights issue of a maximum of 35 664 407 Class B shares, as decided upon by the Company's Board of Directors on 25 May 2022 by virtue of the authorization from the Company's Annual General Meeting on 18 May 2022, with preferential rights for the Company's existing shareholders (the "Rights Issue"). The subscription price in the Rights Issue was determined to SEK 4.50. The Company announces today the outcome of the Rights Issue, whose subscription period ended on 17 June 2022, where a total of 35 664 407 shares, corresponding to 100 percent of the offered shares, have been allocated after the end of the subscription period. 27 968 664 shares were subscribed for with subscription rights and 2 491 312 shares were subscribed for without subscription rights, corresponding to a total of 85.4 percent of the Rights Issue. The remaining number of shares have been subscribed by external investors that on beforehand provided guarantee undertakings. The Company will through the Rights Issue raise proceeds of approximately SEK 160 million before deduction of costs related to the Rights Issue.

Outcome of the rights issue

The subscription period of the Rights Issue occurred between 3 June 2022 and 17 June 2022. The final outcome of the Rights Issue shows that 27 968 664 shares were subscribed for with subscription rights (including subscription commitments provided in advance), corresponding to approximately 78.4 percent of the Rights Issue. In addition, the Company received subscriptions without subscription rights of 2 491 312 shares corresponding to approximately 7.0 percent of the Rights Issue. In total, subscriptions were received for 30 459 976 shares corresponding to approximately 85.4 percent of the Rights Issue. External investors that on beforehand provided guarantee undertakings will subscribe for the remaining 5 204 431 shares corresponding to approximately 14.6 percent of the Rights Issue.

About the Rights Issue

The Rights Issue was fully guaranteed through subscription commitments from existing shareholders as well as guarantee undertakings from external investors. Through the Rights Issue, the Company will raise approximately SEK 160 million before deduction of costs related to the Rights Issue, which are estimated to approximately SEK 21 million including remuneration for provided guarantee undertakings that the guarantors have decided to receive in cash. The Company will use the net proceeds to strengthen the Company's financial position and to be able to

conduct the Company's business plan and strategy, where the main area of use for the capital is completion and commercialization of the next-generation HeatPower module as well as to finance the ongoing business.

Notice of allotment and delivery of shares

Shareholders that have sent their application of subscription with subscription rights as well as payment will directly following the receipt of these paid subscribed shares booked on their securities accounts. Investors that have been allocated shares without subscription rights will receive a contract note, which are expected to be distributed around the 20 June 2022. Investors that have not been allocated share will not receive a notification. Subscribed and allocated shares shall be paid cash in accordance with the instructions on the contract note. Investors that have subscribed for shares without subscription rights through a manager will receive notice of the subscription in accordance with the manager's routines.

Delivery of shares will occur when the registration of the Rights Issue has been completed with the Swedish Companies Registration Office, which is expected to occur around 1 July 2022 for shares subscribed for with subscription rights and around 4 July 2022 for shares subscribed for without subscription rights.

Trading in paid subscribed shares will continue until around 27 June 2022. The new class B shares are intended to commence trading on Nasdaq First North Growth Market in conjunction with the conversion from paid subscribed shares to ordinary shares.

Changes in share capital and number of shares and dilution

After completion of the Rights Issue, the number of shares in Climeon will increase with 35 664 407 shares, from 59 440 679 shares to 95 105 086 shares (including Class A shares). The share capital will increase with SEK 534 966, from SEK 891 610.185 to SEK 1 426 576.285. Execution of the Rights Issue results in those existing shareholders that have decided not to participate will be diluted with the equivalent of approximately 37.5 percent of the number of shares in the Company.

Advisor

DNB Markets, part of DNB Bank ASA, Sweden branch, is the financial advisor and Baker McKenzie Advokatbyrå KB is the legal advisor to the Company in relation to the Rights Issue.

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This press release constitutes inside information that Climeon AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation 596/2014. The information was sent for publication, through the agency of the contact persons set out above, at the time stated by the Company's news distributor, Cision, at the publication of this press release.



About Climeon AB (publ)

Climeon is a Swedish product company within energy technology. The company's unique technology for thermal power - Heat Power - makes accessible a largely unused energy source and provides sustainable electricity from hot water, around the clock, all year round. Heat Power is a cheap and renewable energy source with the potential to replace much of the energy that today comes from coal, nuclear power, oil and gas. The B share is listed on the Nasdaq First North Premier Growth Market. FNCA Sweden AB is a Certified Adviser, +46 (0) 8-528 00 399 info@fnca.se.

Learn more at climeon.com.

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This press release is not a prospectus within the meaning of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. A prospectus, equivalent to an EU growth prospectus, in respect of the Rights Issue referred to in this press release will be prepared and published by the Company prior to the commencement of the subscription period for the Rights Issue.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the Company. The information contained in this announcement relating to the Rights Issue is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. DNB is acting for Climeon in connection with the Rights Issue and no one else and will not be responsible to anyone other than Climeon for providing the protections afforded to its clients nor for giving advice in relation to the Rights Issue or any other matter referred to herein.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public Rights Issue of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

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Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's and the group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company and the group operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based

upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq First North Growth Market rule book for issuers.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Climeon have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Climeon.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Climeon and determining appropriate distribution channels.

The English text is an unofficial translation of the original Swedish text. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.